

Alcoholic Beverage Code revisions (liability indemnity, Texas stadium sales)

HB 779 by Cavazos/Glasgow

DIGEST:

HB 779 would have made numerous revisions in the Texas Alcoholic Beverage Code affecting sale permits, fees, distribution, beverage labeling, advertising, server training and other issues.

One provision would have required manufacturers of alcoholic beverages to indemnify retailers and servers for any expenses they might incur because of damages arising from sale or use of alcoholic beverages (such as damage caused by a drunk driver).

Another provision would have revised a section of the law concerning the validity of local regulations affecting alcohol licensees so that any zoning regulations prior to June 11, 1987 would have been valid while zoning amendments enacted after that date would have been valid only if they lessened restrictions or did not impose additional restrictions on a licensee. (The section would have permitted alcohol sales in Texas Stadium, home of the Dallas Cowboys, located in the city of Irving. The issue of alcoholic beverage sales in the stadium is being contested in court by the city of Irving and stadium owners.)

GOVERNOR'S REASON FOR VETO:

HB 779 contained several "needed and acceptable" changes in the Alcoholic Beverage Code, but the sections on indemnity would "completely undercut" the 1987 'Dram Shop Act' on beverage-server liability, enacted to deter drunk driving. [The 1987 act allows servers of alcoholic beverages to be held liable for damages caused by an intoxicated person they served.] "To prevent undoing the progress that has been made in the war against drunk drivers, I am vetoing House Bill 779."

The section of HB 779 on indemnity was intended "to secure indemnification and attorney's fees as they related to product liability lawsuits; however, the drafters concede the language was overly broad."

"I have no preconceived opinion as to whether or not alcoholic beverages should or should not be served in Texas Stadium. I am told that many people in Irving oppose the issue; on the other hand, I am told that the regulated and controlled sale of alcoholic beverages in the stadium is

preferable to the current system of allowing persons to carry their own beverages into the stadium. I make no judgment on the matter."

RESPONSE: Rep. Eddie Cavazos, author of HB 779, had no comment. The sponsor of HB 779, Sen. Bob Glasgow, who offered the Senate floor amendment adding the provisions on liability indemnity and Texas Stadium sales, discussed the bill's effect on the stadium and the city of Irving in a June 8 report in the *Dallas Morning News*. "If you are going to have alcohol in the stadium, it should be done under the ABC [Alcoholic Beverage Code], and the city and the state and the Cowboys ought to get the revenue from it," he said. Sen. Glasgow acknowledged that the measure would have superseded the local zoning ordinance, giving the Dallas Cowboys the right to sell alcohol in Texas Stadium regardless of a pending lawsuit. "That language may have been too strong," he was quoted as saying.

NOTES: HB 779 passed the House on the Consent Calendar and was not analyzed in a *Daily Floor Report*.